

NUMBER: 670

TITLE: SCD Grants and Contracts

APPENDIX D: FINANCIAL CONSIDERATIONS AND SUMMARY GUIDANCE

1. Salaries and Benefits

Salaries and Benefits typically comprise a significant portion of the costs associated with a grant or contract. It is critical to budget accurately for these expenditures and monitor them regularly. Please keep in mind that every salary charge will have an accompanying benefit charge. The following are guidelines to use when establishing a budget for salaries and wages:

- Work with the campus HR Dept. and Business Office when placing employees in positions and on the salary schedules.
- An employee may be due a step increment or state mandated pay raise during the time they are working under a grant or contract. This increase in pay should be reflected in the grant budget.
- Advertising for positions must be coordinated with the campus HR Dept.
- If salaries are split between Federal grant money and another funding source OR if salaries are to be used as match to the grant/contract, specific records of time and effort must be kept (See Procedure 668 on Time & Effort).
- Contract for Personal Services Agreements cannot be entered into with employees of the College. Any services performed by current employees must be processed as part of the College's payroll.
- All employees receive benefits in the form of social security, unemployment insurance or worker's compensation, etc. Some qualifying part-time employees and all full-time or permanent employees receive these same benefits plus Health Insurance and Retirement. Check with the Campus Business Office for the current rates.

2. Other Expenditure Items

When putting together a budget for a grant or contract, many different types of expenditures need to be considered. Funders may have different requirements or specific instructions on other expenditure items, which must be followed to be consistent with the funders' intent.

Contracted Services:

If the proposal requests funds for contracted services, a Request for Contracted Services form must be submitted to the District Purchasing Department. The College Business Office can help guide the contracted services process. Refer to SCCD Policy and Procedures No. 628, "Acquisition of Services."

Goods & Services:

Estimated costs should be listed by major categories, e.g., office supplies, printing, telephone installation and services, contracted services, facilities rental, transportation, etc.

Travel:

Indicate the number of trips and estimated costs including a statement regarding the purpose of the proposed travel and its relevance to the project. Rates are subject to the allowance established by the State Office of Financial Management. Contact the College Business Office for verification of rates for airfare, lodging, per diem, etc. Refer to SCD Policy and Procedures No. 630, "Travel."

Equipment:

Items costing \$5,000 or more or any "small and attractive" items such as computers, audio-visual equipment, etc., items should be listed with estimated prices and sales tax and shipping costs.

If the proposal requests funds to purchase or rent new or surplus equipment or the transport of equipment to/from foreign countries, costs and sources must be discussed with the District Purchasing Agent. If the proposal requires computing services, the campus Information Technology Office must be consulted. If a computer, fax, copier, or other office equipment will be required and is not currently available, include these items in the budget plan. We are subject to Washington State guidelines in the acquisition of such purchases or rentals and are not permitted to simply buy just any "off the shelf" goods and services.

Client Services:

Services to students, including tuition, fees, transportation, childcare, books, and supplies should be listed with the estimated number of students to be served and current fee rates. It is important to involve the College Business Office when determining what fees can and should be charged. Contact the Business Office for verification of costs. A FAPC must be assigned to charge these costs to a grant or contract. Anticipated increases during the project period should be considered as well.

If the grant is covering tuition for students (clients) it must also cover the following fees:

- Photo ID card
- Recreation Center Access Fee (if applicable)
- TMP Fee (full-time)
- Technology Fee

Other fees and charges may include (this is not a comprehensive list):

- Computer lab fees
- Other lab fees
- Materials fees
- Licensing fees
- Parking fees

3. Other Financial Issues

Facilities:

Ensure that space presently available to the College will be adequate. If space is not available to the College, rental or lease costs must be included in the grant application based on the current rates, which can be obtained by coordinating with the Campus Business Office. Departments providing these services must be consulted at time of commitment for planning purposes.

Meals/Light Refreshments:

If the proposal includes funds for meals or light refreshments, a Request for Meals or Light Refreshments form must be submitted and approved **prior** to the event being held. Refer to SCD Policy and Procedures No. 632 "Meals and Light Refreshments." The College Business Office can help guide the Meals and Light Refreshments process. Note that some grantors do not allow use of funds for this purpose.

Billing

All official invoices for grants and contracts can ONLY be generated and submitted by the College Business Office or District Accounting. The department initiates only the billing request. Most grants and contracts are structured as cost reimbursement agreements. The College Business Office will collaborate with District Accounting to ensure inclusion of all outstanding invoices as Accounts Receivable.

Several agencies are now using on-line invoicing systems (SBCTC through OBIS, and Ed Dept.). The Campus Business Office is responsible for submitting all online billing. The Accounting office will notify the campus business office of any billings that are submitted on their behalf.

Revenues/Reimbursements

All grant and contract revenues/reimbursements must be processed through a centralized cash receiving function for appropriate coding, posting, and internal control purposes. The college's accounts receivable function will follow up on past due invoices and pursue timely collection. It is the responsibility of the department to monitor the monthly budget status or revenue report and work with the College Business Office to reconcile any discrepancies that may arise.